

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4462-01
Bill No.: SJR 39
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees,
Councils; Constitutional Amendments; Teachers
Type: Original
Date: February 8, 2010

Bill Summary: This resolution proposes a constitutional amendment to modify the composition of the State Board of Education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0 or (\$4,832) or (More than \$7,004,832)	\$0 or (\$4,977)	\$0 or (\$5,126)
Total Estimated Net Effect on General Revenue Fund	\$0 or (\$4,832) or (More than \$7,004,832)	\$0 or (\$4,977)	\$0 or (\$5,126)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** state no added costs are anticipated for their office as a result of the bill. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the Board of Education currently consists of eight members who are appointed by the Governor. The proposal would restructure the State Boards of Education so that its members consist of six lay members and one active classroom teacher, one active building level principal, and one active school superintendent. The end result would be a nine-member State Board of Education.

The following chart shows the total expenditures for the eight members. Included in these expenditures is a \$25 per day statutory per diem. Also included in this total are the annual NASBE dues which remain constant regardless of the number of school board members.

	FY '05	FY '06	FY '07	FY '08	FY '09
State Board expenditures	\$61,238	\$50,663	\$72,174	\$61,965	\$90,972
(less) NASBE dues	<u>\$27,106</u>	<u>\$28,304</u>	<u>\$28,943</u>	<u>\$29,255</u>	<u>\$30,129</u>
	\$34,132	\$22,359	\$43,231	\$32,710	\$60,843
# board members	8	8	8	8	8
net expenditure per member	\$4,267	\$2,795	\$5,404	\$4,089	\$7,605

An average of the five years yields an expenditure per board member of \$4,832. We assume the department would see increased expenses of at least \$4,832 per year. Assuming a three percent inflation factor, DESE assumes cost for the second and third years to be \$4,977 and \$5,126 respectively.

Officials at the **Office of the Secretary of State (SOS)** assume unless a special election is called for the purpose, Joint Resolutions are submitted to a vote of the people at the next general election. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people and Article XII section 2(b) authorizes the governor to call a special election to submit constitutional amendments to a vote of the people.

ASSUMPTION (continued)

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article I, Section 26, 27, 28 of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2009, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$1.35 million to publish (an average of \$270,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2011. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled general election is in November 2010 (FY 2011). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2011.

To estimate the expense the state would incur for reimbursing local political subdivisions for a special election, **Oversight** requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to Oversight's request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, Oversight will reflect a potential cost borne by the state in FY 2011 of over \$7 million for reimbursement to the local political subdivisions. Oversight assumes the Governor could call for a special election to be held prior to November, 2010 regarding this joint resolution; however, if a special election is not called, the subject will be voted on at the general election in November, 2010.

Oversight will also reflect the potential additional expense to DESE as \$0 (amendment is not approved by voters) to the amounts calculated by DESE.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Expense</u> - from having one additional State Board of Education member	\$0 or (\$4,832)	\$0 or (\$4,977)	\$0 or (\$5,126)
<u>Expense</u> - reimbursement of local political subdivisions for special election costs	\$0 or (More than <u>\$7,000,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (\$4,832) or (More than <u>\$7,004,832</u>)	<u>\$0 or (\$4,977)</u>	<u>\$0 or (\$5,126)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - cost reimbursement from the State for special election	\$0 or More than \$7,000,000	\$0	\$0
<u>Expense</u> - cost for special election	\$0 or (More than <u>\$7,000,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

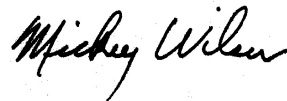
FISCAL DESCRIPTION

This constitutional amendment, if approved by voters, would modify the composition of the State Board of Education. The State Board of Education would consist of nine members, instead of the current eight. Six would be lay members with the remaining three consisting of one active classroom teacher, one active building principal, and one active school superintendent. No more than three of the lay members may be from the same political party. Their term of office will be four years, instead of the current eight, with one reappointment possible. The teacher, principal, and superintendent members would be eligible to serve one four-year term only.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of the Secretary of State
Office of the Governor



Mickey Wilson, CPA
Director
February 8, 2010